

Heavy Vehicle Use Tax Update

WE KEEP PORTLAND MOVING.

Presentation to Portland Freight Committee - Feb 2023



PBOT
PORTLAND BUREAU OF TRANSPORTATION

Cost Responsibility History

- Engineers estimate that a fully loaded truck causes more damage to the highway than 5,000 cars – assumption based on 80,000-pound load on 5-axles – the interstate maximum.
- In 1999, Oregonians led an effort to amend the Oregon Constitution to ensure that heavy vehicles pay their fair share for the cost of building and maintain roads in Oregon.
- Every two-years the state calculates the amounts trucks should pay based on the costs of improvements and maintenance that are based on heavy trucks – last calculation resulted in heavy vehicles paying for 39% of all transportation costs statewide.
- A consultant hired by the City of Portland identified the heavy vehicle share for Portland transportation expenditures to be 13%.

HVUT Update

- Portland established a Heavy Vehicle Use Tax (HVUT) prior to asking the public to approve our local 10-cent gas tax
- The HVUT helps ensure that there is “cost responsibility” between light and heavy vehicles

Revenue Source	Share of Revenue (cost responsibility)	\$ (millions)
Fixing Our Streets (light Vehicles)	87%	74.5
Heavy Vehicle Use Tax	13%	11*
Total		85.5

Estimates for FOS 2020-24

Fixing Our Streets Over

- Portland Fixing Our Streets Oversight Committee is the oversight committee identified by City Council to ensure program accountability by reviewing revenues, expenditures, and program project implementation
- Portland committed in advance of the annual review of HVUT projects by the Fixing Our Streets Oversight Committee to review the draft list of projects with Portland's Freight Advisory Committee and to report their recommendations the Fixing Our Streets Oversight Committee
- FOS Oversight Committee Members (16)

Modal Rep: Motor Vehicle	Modal Rep: Transit	Business Rep: 51+ Employees	Resident: Outer East Portland
Modal Rep: Freight	Transportation Expert: Paving	Business Rep: 51+ Employees	Resident: SW/NW Portland
Modal Rep: Pedestrian	Transportation Expert: Construction	Non-Profit Rep: Low Income/BIPOC	Resident: Inner East Portland
Modal Rep: Bicyclist	Business Rep: 1-50 employees	Resident: Central Portland	Resident: North Portland

How is the HVUT Calculated?

- Portland uses the Portland Business License as a way of collecting the Heavy Vehicle Use Tax
- Any business that delivers goods within the City of Portland is required to pay 3% of their statewide weight-mile tax
- It is estimated that the HVUT fee will generate \$11M between 2020-2023 – 13% of the combined revenue from the Gas Tax and HVUT.
- There is an appeals process for companies that can document extreme low use of city streets
- City Revenue Bureau is currently evaluating whether revenues in excess of 10% of HVUT 2 target will require reduction in rate for 2023 tax year (schedule usually published Dec / Update this summer)

Who pays and how much?

- A relatively small group of companies pay the most weight-mile taxes and therefore pay most of the HVUT
- Over the first years of the program, 83% of revenue from 100 largest accounts – the remaining 600+ companies paid an average of \$64 per month and 30% paid on average the minimum payment of \$9 per month

# of Companies	% of Companies	HVUT (Annual)	HVUT (Month)
1-20	3%	\$48,900	\$4,100
21-50	4%	\$14,100	\$1,800
51-100	7%	\$5,000	\$416
101-500	56%	\$770	\$64
501-716	30%	\$100	\$9

What projects have been funded with HVUT?

Projects Funded in HVUT 2016-2019

Heavy Vehicle Use Tax: Maintenance and Operations
Marine Drive Repaving (Kelly Point Park to Leadbetter)
Lombard Street Repaving (near N Ramsey)
Going Street Repaving (near I-5 Interchange)
Greeley Operational Improvements (Going Street to I-5 Interstate Avenue)
Guard Rail Replacement
Bridge Column Safety
MLK Operational Improvements (Tillamook to Columbia)
Freight Priority Program Operational Improvements
Total HVUT: \$8.5 million

What projects have been funded with HVUT?

Projects Funded in HVUT 2020-23

I-5 to Going Street Ramp Pavement Repair - Repave deteriorating frontage road and ramp from N Killingsworth Street and I-5 southbound to N Going Street westbound to serve freight traffic to Swan Island. Also includes repaving of intersection of N Alberta Street and I-5 off-ramp. HVUT Allocation: \$1,064,000. **COMPLETE**

N Lombard Street Base Repair - Base repairs along blocks of N Lombard Street between N St. Louis and St Johns avenues seeing deterioration due to high volumes of trucks and buses. Incorporated into the N Lombard Main Street Repair Project. HVUT Allocation: \$391,000 **COMPLETE**

Columbia-Lombard Wayfinding Improvements, Phase 2 - Changes name of US 30 Bypass section of NE Killingsworth to NE Lombard streets to be consistent with the rest of US 30 Bypass and provide better freight wayfinding. Builds on Phase 1 Wayfinding Improvements, recently approved by City Council, which includes renaming NE Portland Highway to NE Lombard Street Requires changing I-205 freeway signage. HVUT Allocation: \$200,000 **LOCAL SIGNAGE COMPLETE, I-205 SIGNAGE IN PROCUREMENT**

Columbia Blvd ITS Improvements, Phase 2 - ITS improvements including signal optimization, radar detection, fiber optic communication, and more. HVUT Allocation: \$1,076,000 **PHASE ONE CLOSING OUT CONSTRUCTION – PHASE 2 30% DESIGN**

What projects have been funded with HVUT?

Projects Funded in HVUT 2020-23

42nd Ave Bridge Replacement - Reconstructs aging, weight-restricted, low-height bridge over NE Lombard St (Hwy 30 Bypass) with a modern bridge that meets full height requirements for over-dimensional freight. HVUT Allocation: \$2,000,000

BIDDING LATE SPRING 2023 – CONSTRUCTION FALL 2023/2024 (WAITING COMPLETION 33RD BRIDGE REPAIRS)

NE Cornfoot Road Project, Phase 1 - "Phase 1" project including guardrails, illumination, and asphalt repaving (with some base repair) east of NE Airtrans Way. HVUT Allocation: \$2,600,000 **BIDDING LATE WINTER 2023 – CONSTRUCTION SPRING/FALL 2023**

NE Cornfoot Road Project, Phase 2 Project Development - Develop "Phase 2" project from 47th to Airtrans Way for repaving (potentially concrete), intersection improvements, and more. HVUT Allocation: \$300,00 **PROJECT DEVELOPMENT COMPLETE – RECEIVED METRO TRAIL BOND FOR MUP, SCOPE AND COST ESTIMATE FOR REPAVING 42ND TO AIRTRANS WAY**

NE 11th Ave (Lombard - Columbia) Project Development - Pavement reconstruction, curbs, and sidewalks on NE 11th Ave from NE Columbia Boulevard to NE Lombard Street. Close NE Lombard Place just east of 11th Ave and redesign/upgrade railroad crossing to improve safety and operations for all modes. Upgrade 11th & Lombard traffic signal and add new traffic signal at 11th & Columbia. HVUT funding will be used for 30% design and railroad diagnostic. HVUT Allocation: \$500,000 – **PROJECT DEVELOPMENT COMPLETE < \$500k, STIP funding for design 2024-27 (still need to address double tracking proposal)**

Potential Future Commitment

Cornfoot Rd Repaving from 47th Ave to Airtrans Way Phase 2 project development:

- Scoped as a 4" grind and inlay with 35% base repair (full depth reconstruction)
 - Pavement managers did not think that a full reconstruct in concrete would be a wise investment given the much higher capital cost, major stormwater investments needed to meet BES requirements, much longer road closure needed and therefore higher business/freight impacts, and marginal long-term pavement life benefit compared to this 4" grind/inlay with base repair in the worst sections
 - No changes in cross-section, peds/bikes assumed to be accommodated in the Multi-use Path on the north side funded by Metro
 - Total cost estimate including contingencies and 5 years of inflation is \$4,387,822
 - This project could be a candidate for HVUT 3, though it would eat up nearly half of the anticipated revenue

Potential Future Commitment

Still waiting to hear on potential federal funding for the Burgard Bridge Replacement – may need to use HVUT balance (plus HVUT 3) for local match.

- PBOT submitted grant application to federal Bridge Investment Program in late 2022, requesting \$13,895,728 of federal grant funding with a \$3,614,700 required local match (20% of \$17,510,428 total project cost)
- Full replacement of 92-year-old bridge over UPRR tracks near Terminal 4
- Only direct connection from Hwy 30 / St Johns Bridge to Terminal 4, NW Container Services, and entire Rivergate Industrial Area
- Addresses major deficiencies including poor structure condition, seismic vulnerability, weight restrictions, steep grades, lack of sidewalk on south side, lack of fully protected bikeway on north side
- Also includes reconstruction of very old, deficient Terminal 4 and NW Container Services traffic signals north of the bridge
- "Large" bridge project category grants have already been announced, so we expect to hear about this "Small" bridge category very soon
- There is a decent chance we will not be awarded funding in this first year (of a five year program), since they are prioritizing truly "shovel-ready" projects, but in that case we will still get in the queue for future years and will receive feedback to make our future applications stronger